

CHAPTER 62 WOMEN'S MICRO-BUSINESS PROGRAM

SUBCHAPTER 1. GENERAL PROVISIONS

5:62-1.1 Purpose and scope

(a) The purpose of this program is to establish a micro-business credit program to provide assistance to unemployed and underemployed women in New Jersey so that they may reenter the workforce.

(b) The program will provide a funding source to support programs for certified development corporations or to a Statewide organization for:

1. Issuing loans, loan guarantees, or both, to qualified recipients;
2. Providing extensive training and technical assistance to qualified recipients; and
3. Payment of reasonable administrative expenses as approved by the Commissioner, except that such expenses shall not amount to greater than 20 percent of the grant.

5:62-1.2 Definitions

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise:

"Act" means the New Jersey Women's Micro-Business Credit Act, N.J.S.A. 52:27D-443 et seq.

"Certified nonprofit community development corporation" or "certified corporation" means a nonprofit community development corporation established pursuant to Title 15 of the Revised Statutes, Title 15A of the New Jersey Statutes, or other law of this State, and certified by the Department pursuant to N.J.S.A. 52:27D-448 to receive grants for the purpose of issuing loans, loan guarantees or both, and providing training and technical assistance to qualified recipients.

"Commissioner" means the Commissioner of the Department of Community Affairs.

"Department" means the Department of Community Affairs.

"Division" means the Division on Women, Department of Community Affairs.

"Director" means Director of the Division on Women.

"Program Manager" means the Division employee(s) designated by the Commissioner with responsibilities for developing and administering the New Jersey Women's Micro-Business Credit Act.

"Grant" means money given to a certified nonprofit community development corporation or a Statewide organization by the Department for the purpose of issuing loans, loan guarantees, or both pursuant to N.J.S.A. 52:27D-446.

"Loan" means a loan made or guaranteed to a qualified recipient under the terms and conditions set forth by a certified nonprofit community development corporation or Statewide organization.

"Micro-business loan" means a loan granted to a business that has five or fewer employees that requires an initial capital outlay of less than \$35,000 to start and utilizes loans in amounts less than \$15,000 with most loans being paid back on time.

"Program" means the New Jersey Women's Micro-Business Credit Program established pursuant to Section 4 of P.L. 1999, c.239 (N.J.S.A. 52:27D-446).

"Qualified recipient" means one or more women who intend to establish a business enterprise which is to be independently owned and operated solely by the woman or women, as appropriate, who have little or no prior business experience and each having a gross annual personal income of an amount less than 350 percent of the official poverty line, as determined by the Director of the Federal Office of Management and Budget. A qualified recipient may conduct a business enterprise on a part-time basis, from a residence, or both.

"Statewide organization" means an organization whose primary objective is to support and encourage business ownership by women and which maintains a visible Statewide presence.

SUBCHAPTER 2. ELIGIBILITY REQUIREMENTS

5:62-2.1 Requirements for participation in the New Jersey Women's Micro-Business Assistance Program

(a) There is hereby created in the Department a "New Jersey Women's Micro-Business Credit Program."

(b) The Division on Women shall initially prepare a Request for Qualifications (RFQ) and a Request for Proposals (RFP) and distribute them to nonprofit certified community development corporations or certain Statewide women's business organizations.

1. Applicants may submit the RFQ and the RFP simultaneously.
2. A committee appointed by the Commissioner shall review all proposals.
3. The Commissioner shall review the committee's recommendations and give final approval.
4. For the purpose of allocating grants, proposals will be considered from the following geographic areas:

i. North: Sussex, Warren, Morris, Passaic, Bergen, Essex, and Hudson counties;

ii. Central: Hunterdon, Somerset, Union, Middlesex, and Mercer counties;

iii. Shore: Monmouth, Ocean, Atlantic, and Cape May counties; and

iv. South: Burlington, Camden, Gloucester, Salem, and Cumberland counties.

(c) In selecting the areas for the certified corporation, the Commissioner shall strive to allocate the areas in an equitable manner to achieve representation from all regions of the State.

(d) The Commissioner may reassign geographic areas based on the applications received.

(e) The following concern the Request for Qualifications and qualifications for certification:

1. Applicants who wish to be considered for this program as a certified corporation or organization must respond to the RFQ and fulfill the following requirements:

i. The Department may certify a nonprofit community development corporation or a Statewide organization when it determines that the development corporation or the Statewide organization:

(1) Has developed a viable plan for provision of extensive training, access to financing, and technical assistance for qualified recipients;

(2) Has demonstrated an ability to successfully provide extensive training and technical assistance to qualified recipients;

(3) Has broad-based community support within a region and has demonstrated support from other regional entities to provide assistance with service delivery and financial aspects; and

(4) Has an adequate source of operating capital.

(f) The following concern Requests for Proposals (RFP):

1. The applicant shall provide the following:

i. A plan and description for business training and technical assistance and other services to be provided to qualified recipients;

ii. The geographic area among the regions chosen;

iii. A plan to monitor and provide financial oversight of the loan recipients, to administer a revolving loan fund, and to investigate and qualify financing proposals and to service credit accounts;

iv. The sources and sufficiency of the operating fund for the certified corporations or the Statewide organization; and

v. The intent of the certified corporation or Statewide organization as set forth in its plan and local institutional support to provide services to qualified recipients in the region where it is located.

2. Loan funds created by a certified corporation or Statewide organization shall not be:

i. Loaned for relending or investment in stocks, bonds or other securities or for property not intended for use in production by the recipient of the loan; or

ii. Used to refinance a nonperforming loan held by a financial institution or to pay the operating costs of a certified corporation.

3. The certified corporation or Statewide organization is required to contribute cash from other sources to leverage and secure loans from the program. Such contributions must be in a ratio of at least \$1.00 from other sources for each \$3.00 in loans from the programs and at least \$1.00 from other sources for each \$4.00 for training, technical assistance and administrative expenses put toward the program.

SUBCHAPTER 3. PROCEDURAL REQUIREMENTS

5:62-3.1 Implementation

(a) The Department shall to the greatest extent feasible coordinate its efforts to implement the program with other State or Federal agencies or authorities including the New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprises established pursuant to P.L. 1985, c.386 (N.J.S.A. 34:1B-47 et seq.), the New Jersey Economic Development Authority established pursuant to P.L. 1974, c.80 (N.J.S.A. 34:1B-1 et seq.) and the Department of Human Services.

(b) The Department shall advertise the program to community development organizations in all regions of the State.

(c) In order to advertise and promote the program, the Department may organize or participate in the organization of a nonprofit corporation, expenses to be paid from funds raised by the nonprofit corporation, and no liability or obligation in tort or contract shall be incurred by the Department for the operation of the nonprofit corporation.

(d) The Department shall prepare a report within two years following the effective date of P.L. 1999, c.239 (N.J.S.A. 52:27D-443 et seq.) and not later than September 15 of each third year thereafter. This report shall include, but not be limited to:

1. A description of the demand for the program;
2. The number of qualified recipients that the program has helped;
3. The efforts to promote the program;
4. The efforts to establish a pool of funds from other private or public sources;

5. The total amount of loans issued; and

6. An assessment of the effectiveness of the program.

5:62-3.2 Procedures for funding

(a) The Department shall provide grants to certified corporations or a Statewide organization from such moneys that the Department determines necessary to effectively implement the program. Consideration in determining the amount of money shall include demand for this program and other assistance programs that may be available.

1. Loan funds may be used by a certified development corporation or the Statewide organization to:

i. Enhance the certified corporation or Statewide organization's ability to provide and administer loans, technical assistance or business training to qualified recipients;

ii. Establish a revolving loan fund from which the certified corporation or the Statewide organization may issue additional loans to qualified recipients which have completed payments on an earlier loan or issue loans to qualified recipients, provided that a single loan amount as part of a loan agreement does not exceed \$5,000; or

iii. Carry out the purposes of the provisions in (a)1i and ii above.

2. Unless subject to Federal law, each certified corporation that receives a grant under P.L. 1999, c.239 (N.J.S.A. 52:27D-443 et seq.) shall undergo an audit at its own expense at least every two years. The certified corporation shall submit a copy of the audit to the Division.

i. If an audit is performed under a Federal law, the Department shall waive the above audit.

ii. The Department may use up to five percent of the funds received from the General Fund for the purposes of implementing the program, as pursuant to P.L. 1999, c.239 (N.J.S.A. 52:27D-443 et seq.), for administrative costs.